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POLICY

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1990 AND PROGRAMME-LEVEL ACTIVITIES

Role of UNDP in combating HIV/AIDS: Policy framework for the response of UNDP to HIV/AIDS

Report of the Administrator

I. BACKGROUND

1. The human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) pandemic is different from other previous or current epidemics and other obstacles to human development. The magnitude of the pandemic, its inevitable toll on human life, the nature and speed of its spread and the social and economic place of those infected will create shock waves of consequences, impacting upon every aspect of human life: personal, communal, social, political and economic (see annex 1). The World Health Organization (WHO) estimates that, globally, one in every two hundred fifty adults is infected. Infection rates in some communities in Africa, Asia, the Caribbean and Latin America are significantly higher than 10 per cent of the adult population. In these places, human and community survival is already threatened and children, the elderly and other survivors have been left without support.

2. Human development will be placed in jeopardy and the nature of technical cooperation challenged and changed by this pandemic.

II. RATIONALE

3. The nature of the HIV/AIDS pandemic and its social and economic consequences demand a multisectoral and interdisciplinary response. Timely and effective action by the national and international community will require significant increases in human and financial resources and new and flexible programme and organizational approaches.

4. The HIV/AIDS policy framework outlined in the present document builds on and strengthens existing United Nations Development Programme (UNDP) HIV/AIDS policies deriving from Governing Council decisions, the WHO/UNDP Alliance to Combat AIDS, UNDP documents and directives and the resolutions and decisions of the General Assembly, the World Health Assembly and other organs, agencies and institutions of the United Nations system. It is supplemented by a more extensive policy document outlining strategies, strategic options and implementation arrangements for the guidance of the organization.

5. The HIV/AIDS policy framework also seeks to communicate and clarify UNDP responsibilities with respect to this pandemic within its area of competence and comparative expertise and within the framework of the Global AIDS Strategy. It will facilitate UNDP working relationships with other United Nations organizations, multilateral and bilateral donor organizations, national Governments, community-based organizations (CBOs) and non-governmental organizations (NGOs), both national and international. It will ensure that its resources and efforts reach people and their communities and assist Governments to respond effectively.

III. HIV/AIDS POLICY SETTING

6. UNDP has substantial responsibility within the United Nations system in the area of social and economic development and for the coordination of United Nations system programming. It carries these responsibilities also with respect to the HIV/AIDS pandemic. It has specific directives given to it by the Governing Council to:

(a) Increase awareness of the development implications of the pandemic (see decisions 90/9 of 23 February 1990 and 90/25 of 22 June 1990);

(b) Strengthen and expand the capacity of communities to respond to the pandemic (decision 90/9);

(c) Promote and assist prevention, care, support and treatment programmes for women (decision 90/25); and

(d) Assist Governments to develop effective multisectoral HIV/AIDS strategies and to minimize the devastating consequences of widespread infection (decisions 90/9 and 90/25).

7. The policy is to be consistent with the Global AIDS Strategy established by the WHO Global Programme on AIDS (WHO/GPA), with the principles established by the WHO/UNDP Alliance to Combat AIDS and within the framework of national HIV/AIDS programmes.

IV. LONG-TERM GOAL OF THE HIV/AIDS POLICY

8. The long-term goal of the policy is to assist communities, countries and regions to lessen the impact of the HIV pandemic through:

(a) Preventing further transmission of HIV/AIDS, in particular through behaviour change;

(b) Strengthening the coping capacities and strategies of affected individuals, families, communities, the private sector and Governments; and

(c) Developing multidisciplinary and multisectoral approaches to minimize the adverse social and economic consequences of the pandemic.

V. SHORT-TERM GOALS OF THE HIV/AIDS POLICY

9. By the end of the second year of implementation of the HIV/AIDS policy, it is expected that:

(a) Governments will have included in country programmes an analysis of the impact of the pandemic on the social and economic life of the country and on country programming priorities;

(b) Assistance will have been provided upon request for the development of multisectoral national strategies with their associated institutional arrangements in high-incidence countries;

(c) Innovative approaches, strategies and programmes at the community, national and regional levels will have been developed;

(d) Governments will have allocated over 80 per cent of the country indicative planning figure (IPF) budgeted for HIV/AIDS-related projects for community-based or community-oriented programmes;

(e) Training materials and a handbook on HIV/AIDS and development for use in the field offices will have been prepared and at least 10 workshops will have been conducted for UNDP, other United Nations agencies and government counterpart staff;

(f) A major input of United Nations Volunteers (UNV) specialists will be working in programmes supporting community-based and community-oriented initiatives where local expertise needs to be supplemented; and

(g) A personnel policy will be in place and personnel-related guidance, materials and training provided for all field offices and other units.

VI. PRIORITIES OF THE HIV/AIDS POLICY

10. Advocacy. UNDP will seek actively to increase awareness of the nature of the HIV/AIDS pandemic, of the complexity and seriousness of its impact on all aspects of economic and social development and of the need for urgent, effective action.

11. National Policy Development. UNDP will assist Governments to develop HIV/AIDS-related policies in areas of UNDP expertise and responsibility, to achieve a broad-based consensus on the urgency of the problem and the need for such policies, and to implement them.

12. Capacity-building. UNDP will provide assistance to Governments, CBOs, NGOs, private sector organizations, regional institutions and other groups to strengthen their capacity to plan, implement, monitor and evaluate effective HIV/AIDS-related programmes. Local expertise and local institutions will be developed, strengthened and extensively used in UNDP programme support.

13. Women. Priority will be given to measures to address women's needs for prevention, care, support and access to treatment, to reduce discrimination and trauma, to strengthen their ability to protect themselves from infection and to assist affected women to meet their child-rearing, domestic, and economic responsibilities.

14. Personnel. UNDP will institute a supportive and non-discriminatory HIV/AIDS personnel strategy with an associated extensive education and training programme.

15. Strengthening UNDP capacities. UNDP will strengthen its capacity to increase understanding throughout the organization of the changes the pandemic will make in the nature of technical cooperation; to facilitate the introduction of such considerations into policy dialogues and policy development; to respond to requests for financial, technical and other forms of assistance; and to increase the capacity of the whole donor community to work effectively and collaboratively.

VII. DELIVERY MECHANISMS OF THE HIV/AIDS PROGRAMME

16. Global programming. The global programme will aim at increasing the access of developing countries to HIV/AIDS-related scientific and social knowledge and will bring this knowledge to bear on problems of particular concern to these countries.

17. Interregional programming. The interregional programme will facilitate the development, application and utilization of new HIV/AIDS-related knowledge

and technologies in the developing world and the sharing between regions of effective strategies, interventions and policies. It will encourage multiregional cooperation to strengthen regional and national capacity to respond to the pandemic.

18. Regional programming. Regional HIV/AIDS programmes will seek to increase awareness of the developmental issues; to address regional issues; to identify concerns and approaches of common relevance to countries in the region; to develop, promote and exchange knowledge and experience, particularly through technical cooperation among developing countries (TCDC) modalities; to provide technical advisory services; to strengthen planning and monitoring capacities; and to explore new interventions and techniques that may subsequently be developed within country programmes.

19. Country programming. UNDP will place a high priority on enhancing the abilities of countries to respond to the pandemic during the next decade and beyond. It will assist governments in clarifying the relative attention to be given to this pandemic in relation to other strategic priorities and in ensuring full integration of the national HIV/AIDS plans into their overall national development policies and priorities. The country programme advisory notes, mid-term and annual reviews will include an analysis of the extent of the pandemic and its potential social and economic consequences so that the predicted multisectoral impacts can be addressed in programme decisions. Programme development will draw upon non-IPF sources of funding and human resources provided by UNV specialists, the Transfer of Knowledge through Expatriate Nationals (TOKTEN) and TCDC. CBOs and NGOs will be involved in the formulation and implementation of UNDP programmes and projects.

20. Special Programme Resources (SPR). The uniqueness and recent origin of this pandemic requires that SPR funds be used to develop new programme approaches, to identify effective interventions and to strengthen UNDP capacity to respond to requests for assistance.

21. Project design. In countries where the pandemic is widespread, both the likely effects of high HIV/AIDS incidence rates on the achievement of project objectives and the potential of projects to adversely affect HIV/AIDS programme objectives will be taken into consideration in the design of all projects.

22. HIV/AIDS-specific projects and project components. UNDP will finance programmes and projects directly relevant to achieving the policy goal. UNDP will work collaboratively with all the organizations of the United Nations system and all other donors, both multi and bilateral, to bring to bear the most appropriate technical expertise to the programmes and projects that UNDP may support. Whenever possible, priority will be given to national execution, including non-governmental execution, to implement HIV/AIDS-specific projects.

23. United Nations Volunteers. UNDP will actively involve UNV specialists in the design and implementation of activities aiming to strengthen community-oriented and community-based initiatives. UNV specialists will

participate and contribute to a wide spectrum of HIV/AIDS-related programmes in areas such as prevention, basic care, counselling and support for affected individuals, families and communities.

24. United Nations Capital Development Fund (UNCDF). Within the context of providing small-scale capital assistance to serve the most disadvantaged groups in the least developed countries (LDC), particularly in countries with a high ratio of infected population, UNCDF may provide financial assistance for productive and income-generating activities to support HIV/AIDS survivors, and for equipment or basic social infrastructure in support of HIV/AIDS prevention and care programmes. This assistance can take the form of either an HIV/AIDS- pecific project in coordination with interventions of other donors, or of HIV/AIDS-related components effectively integrated in the overall activities of a project.

25. Technical cooperation among developing countries. UNDP will support and encourage TCDC HIV/AIDS-related programmes aimed at promoting, developing and strengthening exchanges of experience, knowledge, expertise and technical resources among developing countries at regional, interregional and global levels.

VIII. COLLABORATION

26. Collaboration with the United Nations system. UNDP will seek technical and policy advice from WHO/GPA in all areas of its expertise and will participate actively in consultative mechanisms to facilitate inter-agency collaboration, both between UNDP and WHO/GPA and among all specialized agencies and organs of the United Nations system, including international financial institutions.

27. Donor coordination. UNDP will actively seek to (a) strengthen governments' capacities to ensure that multilateral and bilateral agencies and NGOs coordinate and, wherever possible, jointly programme their assistance at country level and (b) facilitate donor coordination at the regional and global levels. This is particularly necessary in view of the urgency of effective and timely responses and the high cost in human terms that would result from the neglect of this crucial function.

28. Resource mobilization. UNDP will actively assist in the mobilization of human and financial resources required for assistance to communities and governments.

IX. INSTITUTIONAL DEVELOPMENT

29. Training. A training programme and a field offices handbook on HIV/AIDS and development for use in the field offices will be developed and workshops conducted (see paragraph 9 (c) above) to ensure that UNDP, other United Nations agencies and government counterpart staff fully comprehend the

development dimensions of the HIV/AIDS pandemic and that they are able to perform the various advocacy, managerial, programming and coordination roles and tasks required to implement this policy.

30. Staffing. UNDP will assign staff, including HIV/AIDS and development specialists, according to need and within resource constraints, to ensure that the organization has the capacity to respond on an informed basis to requests for assistance. These will be placed at appropriate levels and locations within the organization. A full-time senior policy and programme adviser will be appointed at headquarters and will liaise closely with the HIV/AIDS focal points in the Division for Global and Interregional Programmes (DGIP) and the Regional Bureaux.

X. GUIDING PRINCIPLES FOR POLICY DEVELOPMENT

31. The policy issues surrounding this pandemic are complex and will change as the pattern and the impact of the pandemic evolves. Policies must remain responsive to this change and must be able to adapt creatively and constructively to meet the evolving needs. The following principles have been drawn up to assist and guide further programme and personnel policy development as well as its implementation:

(a) An integrated and comprehensive approach to this pandemic must be based upon an understanding of the way it affects personal, social and economic development;

(b) The coping strategies of communities must be central to the national response and community-based organizations will be instrumental in ensuring human survival, human rights and human development;

(c) Policies relating to HIV/AIDS must encompass and be accepted by all sectors in a society. Those affected by the pandemic should be involved in the policy dialogue;

(d) A proper balance must be found, over the course of the pandemic, among programmes for prevention, social support, research and development;

(e) Collaboration and coordination among all participants is essential for an effective national response.

(f) Programmes to succeed must take into account and explore each culture's ability to evolve and change in response to the challenge of the pandemic;

(g) The power imbalances in interpresonal relationships and in society which create women's subordination must change if women are to be able to protect themselves from HIV/AIDS infection and its consequences;

(h) Each individual has the responsibility to protect himself or herself from HIV/AIDS infection and to minimize further spread of the pandemic;

(i) The means of reducing the risk of HIV/AIDS transmission must be affordable by and accessible to everyone;

(j) The cooperation and trust of people at risk of HIV/AIDS infection must be established and maintained;

(k) HIV/AIDS testing must be carried out with the specific, informed consent of those being tested, with pre-counselling and post-counselling and with the guarantee of confidentiality;

(l) Confidentiality in relation to a person's HIV/AIDS status must be maintained;

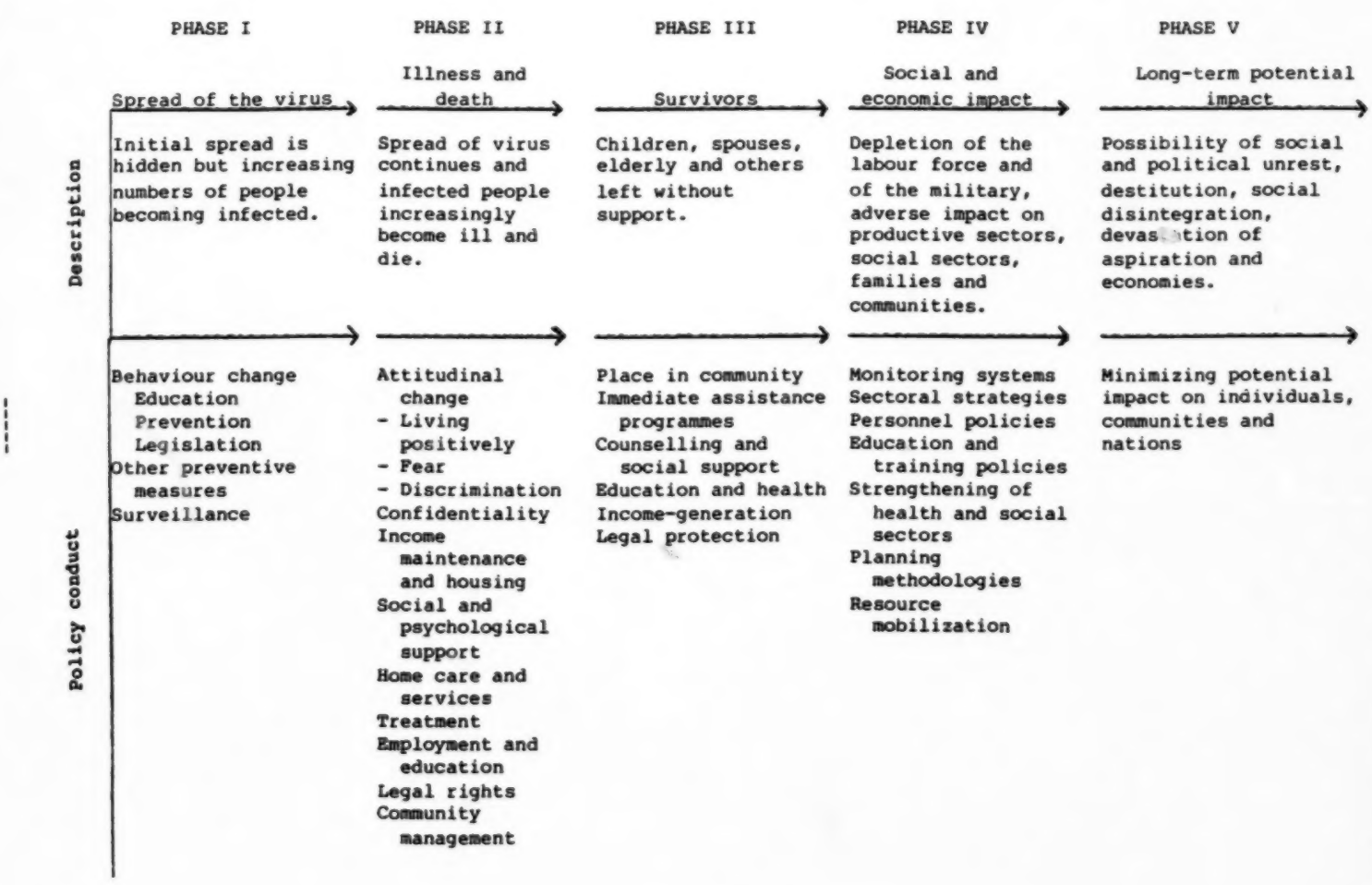
(m) The rights of people with HIV/AIDS must be respected and those affected, including survivors, must remain an integral part of the community.

XI. MONITORING AND EVALUATION

32. The implementation of this policy will be monitored by the Bureau for Programme Policy and Evaluation (BPPE). The policy and its implementation will be reviewed internally within two years of its establishment. An external evaluation will be conducted after three years to assess the adequacy of the policy, the effectiveness of UNDP programmatic actions and the achievement of the indicators of success. The evaluation will bear in mind that the role of UNDP in achieving the objectives of this policy may be fulfilled through a variety of measures and not only by financial support.

Annex

THE HIV/AIDS PANDEMIC AND ITS CONSEQUENCES



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MATTERS RELATING TO THE WORK OF THE COUNCIL IN 1992

Biennialization or triennialization of subjects on the agenda of the Governing Council

INTRODUCTION

1. At its thirty-seventh session (1990), the Governing Council reviewed its working methods as part of an ongoing exercise. In paragraph 6 of decision 90/23 of 23 June 1990, the Council requested the Administrator, inter alia, to examine further possibilities to biennialize or even triennialize specific items and the high-level debate of the Governing Council and to submit his proposals to the Council.

2. The possibilities for biennialization or triennialization have been explored and discussed with the Members of the Governing Council at an informal consultation on 2 November 1990. At the organizational meeting for 1991, the Council discussed and, in its decision 91/1 of 22 February 1991, took note of the proposals contained in the report of the Administrator on the rationalization of the work of the Governing Council (DP/1991/3). During that debate, members of the Governing Council expressed the wish further to discuss proposals for biennialization of subjects on the agenda of the Council at the thirty-eighth session.

I. HIGH-LEVEL DEBATE

3. By paragraph 1 of part I of its decision 81/37 of 27 June 1981, the Governing Council decided "to allocate and orient a well-defined part of its deliberations to major policy issues and emerging development in the operational activities carried out under its supervision on which immediate action is necessary"; and "that the agenda of the Council at each session will

include, as a main item, policy reviews"; and further "to define at each session which policy area or subject will be reviewed at the following session"; and, in paragraph 3 of the same decision, "to hold a short part of its annual sessions at a high, senior policy-maker level".

4. By its decision 91/1, the Governing Council decided, on an experimental basis, to dispense with the general debate in budget years (odd years), beginning in 1991, thereby making a three-week session possible.

5. The Governing Council also agreed that the objective to have a high-level segment dedicated to major policy reviews by the Governing Council remains valid and should be encouraged. It also agreed that the high-level policy reviews take place every even year. At the thirty-eighth session (1991), the Governing Council may therefore wish to define policy area or subjects which will be reviewed in 1992.

II. BIENNIALIZATION OR TRIENNIALIZATION OF SPECIFIC SUBJECTS

A. Previous decisions by the Governing Council

6. In paragraph 3 (f) of section I of its decision 81/37, the Governing Council decided to conduct a broad policy review of other funds and programmes under its supervision biennially. In paragraph 2 of section III of its decision 87/1 and in paragraphs 1 and 2 of section A of the annex, the Governing Council approved on an experimental basis to biennialize reports of the special funds administered by the United Nations Development Programme (UNDP) other than the United Nations Development Fund for Women (UNIFEM). It was also decided that reports concerning matters on which consensus was not achieved at previous sessions, relating to amendments of the financial regulations of UNDP, would be taken up biennially.

7. In the addendum to the note by the President of the Governing Council to the thirty-seventh session on the working methods of the Council (DP/1990/82/Add.1) it was stated that further progress could be made in the biennialization of funds and programmes under the supervision of the Council. The President regretted that the Council had not been able to adhere to its decisions 81/37 and 87/1, as recent agendas revealed. The President suggested that the Council might wish to consider whether annually recurring items could be reviewed biennially. No decision was taken on the concrete proposals made by the President of the Governing Council.

8. The Governing Council will have considerably fewer subjects to deal with at the thirty-eighth session than at the thirty-seventh session. The reduction of subjects through biennialization or even triennialization has already been accommodated by the Council when it adopted fewer decisions in 1990 than the year before (54 in 1990 against 68 in 1989) and limited the requests for reporting. Further, the number of items on the agenda have been reduced by clustering related subjects.

9. At the organizational meeting for 1991, the Governing Council, by its decision 91/1, indicated its willingness to continue its practice when drafting decisions to consider carefully in each case, when the request for a report is made, the possibilities for biennialization or even triennialization.

B. Proposals by the Administrator

10. The Governing Council may select some subjects for in-depth review every second or third year. This does not exclude reporting to the Governing Council in years between the in-depth reviews. By its decision 91/1, the Council agreed to the proposals contained in document DP/1991/3, inter alia, to indicate in its decisions whether a report requested is for debate and possible decision-taking or for information only. Reports requested in years not scheduled for in-depth reviews of the subject in question should accordingly be for information only. For example, this could apply to special topics, such as the human immunodeficiency virus and acquired immunodeficiency syndrome (HIV/AIDS), or additional reports by funds, such as the United Nations Development Fund for Women (UNIFEM).

11. The following proposals are based on the previous decisions taken by the Governing Council in decisions 81/37 and 87/1 and the suggestions made by the President in the note contained in document DP/1990/82/Add.1. While the main items will remain on the agenda of the Council every year, some of the subjects regularly being discussed under these items may, it is suggested, be biennialized or even triennialized.

12. As a general rule, the programme-level activities could be scheduled for in-depth review every second or third year. In its decision 90/19 of 22 June 1990, the Governing Council has already requested the Administrator to report on a triennial basis, beginning at the fortieth session (1993), on women in development. It is also suggested that technical cooperation among developing countries be reviewed in-depth every second year, in coordination with the biennial meetings of the High-level Committee on the Review of Technical Cooperation among Developing Countries. The Governing Council might, in its decisions on other programme-level activities at the thirty-eighth session, indicate in each case whether the next in-depth review is to be scheduled for 1993 or 1994. The programme-level activities are discussed under the same item as the annual report of the Administrator; the annual report may cover relevant programme-level activities in years when they are not scheduled for in-depth review.

13. Special programmes of assistance of a more permanent character could be biennialized. However, decisions concerning the biennialization of special programmes of assistance should ensure the necessary flexibility for consideration of urgent matters and make allowance for subjects which may warrant consideration more frequently than every other year.

14. In its decisions 81/37 and 87/1, the Governing Council has, inter alia, established rules for biennialization of other funds and programmes (see para. 6 above). In the light of General Assembly resolution 45/175 of

18 December 1990 concerning rationalization of the work of the Third Committee and the decision in section I of the annex to include UNIFEM under item 5 of its agenda on a biennial basis, beginning 1991, it is suggested that all funds and programmes administered by UNDP be taken up for in-depth review every second year.

15. The Governing Council may also consider biennialization of the following two subjects, as suggested by the President of the Governing Council in his note of 23 April 1990 (DP/1990/82/Add.1): Implementation of selected country programmes; and United Nations system regular and extrabudgetary expenditures.

16. In order to avoid duplication, it is recommended that the reporting on steps taken by UNDP in response to action taken by the General Assembly and by other organs of the United Nations system be suspended. Information concerning action taken by UNDP is, in most cases, already available in other documentation provided to the Governing Council.

17. The following is an overview of subjects considered at the thirty-seventh session (1990) and subjects scheduled to be considered at the thirty-eighth session, with an allocation of subjects for in-depth review in the coming years, as suggested in paragraphs 12-16 above. The United Nations Population Fund (UNFPA) and United Nations technical cooperation activities are not included in these proposals:

Annual report of the Administrator and programme-level activities	Years for consideration of items			
Annual report of the Administrator	1990	1991	1992	1993
Human development	1990	1991	-	1993
Management Development Programme	1990	1991	-	1993/94
Technical cooperation among developing countries	1990	1991	-	1993
Non-governmental and grass-roots organizations	1990	1991	-	1993/94
Women in development	1990	1991	-	1993
Role of UNDP in combating HIV and AIDS	1990	1991	-	1993
Role of UNDP in the 1990s	1990	-	-	-
Micro-capital grants	1990	-	1992	-

Annual report of the Administrator and programme-level activities	Years for consideration of items			
Promotion of national capacity: skilled personnel	1990	-	-	-
Environment	1990	-	-	1993
Special programmes of assistance				
UNDP Gulf Task Force	-	1991	-	-
Role of UNDP in the implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990	1990	1991	-	1993 (For possible successor arrangements)
Transport and Communications Decade in Africa	1990	1991	-	1993
Questions relating to Namibia	1990	1991	-	-
Least developed countries	1990	1991	1992	-
Refugees, displaced persons and returnees (humanitarian affairs)	1990	1991	1992	-
Special Plan of Economic Cooperation for Central America	1990	-	-	-
Assistance to national liberation movements	1990	-	1992	-
Assistance to the Palestinian people	1990	1991	-	1993
Programme implementation				
Implementation of selected country programmes	1990	1991	-	1993
Evaluation	1990	1991	1992	1993
Evaluation of the mid-term review process	1990	-	-	-
National execution	1990	1991	1992	-

Annual report of the Administrator and programme-level activities	Years for consideration of items			
Programme planning				
Country and intercountry programmes and projects	1990	1991	1992	1993
Fifth programming cycle	1990	1991	1992	1993
Funding strategy	1990	1991	-	-
Support costs: successor arrangements	1990	1991	1992	-
Sectoral support	1990	1991	-	-
Project Development Facility	1990	-	-	-
Reports on mid-term reviews of country and intercountry programmes	1990	-	-	1993
United Nations Population Fund	1990	1991	1992	1993
United Nations Technical Cooperation Activities	1990	1991	1992	1993
Other funds and programmes				
United Nations Capital Development Fund	-	1991	1992	-
United Nations Revolving Fund for Natural Resources Exploration and United Nations Fund for Science and Technology for Development	1990	1991	-	1993
United Nations Sudano-Sahelian Office	1990	1991	1992	-
United Nations Development Fund for Women	1990	1991	-	1993
United Nations Volunteers programme	1990	-	1992	-
Focal point for short-term advisory services	1990	-	-	-
Financial, budgetary and administrative matters				
Annual review of the financial situation (including trust funds)	1990	1991	1992	1993

Annual report of the Administrator and programme-level activities	Years for consideration of items			
Revised budget estimates for biennium	1990	1991	1992	1993
Budget estimates for next biennium	-	1991	-	1993
Audit reports	1990	1991	-	1993
Procurement from developing countries	1990	1991	-	-
Report on the status of management services	1990	-	1992	-
Financial regulations: Matters on which consensus has not yet been achieved	1990	-	1992	-
Financial regulations: Biennialization of financial statements	1990	-	-	-
Ex-post facto reporting	1990	-	-	-
Other separate items or sub-items				
Senior management structure	1990	1991	-	-
Standing Committee for Programme Matters	1990	-	-	1997
Other matters				
United Nations system regular and extrabudgetary technical cooperation expenditures	1990	1991	-	1993
Steps taken by UNDP in response to action taken by the General Assembly and by other organs of the United Nations system	1990	1991	-	-
Reports of the Joint Inspection Unit of interest to UNDP	1990	1991	1992	1993
Matters relating to the work of the Council next year				
Biennialization or triennialization of subjects on the agenda of the Governing Council	1990	1991	-	-

C. Draft provisional agenda for the thirty-ninth session

18. Recalling its decisions 81/37 of 27 June 1981 and 84/44 of 29 June 1984, the Governing Council may wish to approve the draft provisional agenda for the thirty-ninth session contained in the annex.

Annex

DRAFT PROVISIONAL AGENDA

Thirty-ninth session

1. Opening of the session and adoption of the agenda.
2. High-level segment: policy review.
3. Annual report of the Administrator for 1991 and programme-level activities.
4. Special programmes of assistance.
5. Programme implementation.
6. Programme planning.
7. United Nations Population Fund.
8. United Nations technical cooperation activities.
9. Other funds and programmes.
10. Financial, budgetary and administrative matters.
11. Other matters.
12. Matters relating to the work of the Council in 1993.

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|POLICY|

PROGRAMME PLANNING

Funding strategy for the United Nations Development Programme

Report of the Administrator

SUMMARY

The present report is submitted in accordance with Governing Council decision 90/14 of 22 June 1990, by which the Council requested the Administrator to report separately to the Council at its thirty-eighth session on the implementation of a funding strategy for the United Nations Development Programme (UNDP).

The present paper reports on progress in carrying out the various components which constitute the funding strategy. These components are: (a) more effective projection of a sharper image of UNDP; (b) building on the comparative advantages of UNDP; (c) enhancement of national capacity; (d) the coordination of programming and funding; and (e) improvement of programme quality and effectiveness.

Through measures taken in pursuance of the components of the funding strategy, the Administrator is endeavouring to ensure the continuing growth of the financial resources available to developing countries through UNDP.

INTRODUCTION

1. The present report has been prepared pursuant to paragraph 11 of Governing Council decision 90/14 of 22 June 1990, by which the Council requested the Administrator to report separately to the Council at its thirty-eighth session on the implementation of the requests contained in the decision.

2. Decision 90/14 was approved by the Governing Council following its consideration of the Administrator's report on the elements of a funding strategy for UNDP (DP/1990/20) and the comments made thereon. It took note also of the views expressed by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) concerning the importance of maintaining an appropriate balance between core and non-core resources (DP/1989/56 and Add.1 to 3).

3. In its decision 90/14, the Governing Council addressed a number of issues which, while linked to the funding strategy, are somewhat disparate. As a result, this paper covers a much broader range of issues than that indicated by its title. Several related issues taken up in other reports to the Council are referred to by the symbols of the relevant documents.

I. PROJECTING A SHARPER IMAGE OF UNDP

4. Governing Council decision 90/14 recognized the need for UNDP to develop greater public awareness of its programmes in order to mobilize enhanced support for their funding. The Council also recognized that to meet this goal, UNDP would have to develop a clearer profile - a sharper image - which could be more easily grasped, appreciated and supported.

5. A number of measures were taken during the past year in response to that decision. On the occasion of the fortieth anniversary of multilateral technical cooperation within the United Nations system, UNDP undertook a major public information campaign in recipient countries, through its field offices, to strengthen awareness of the important contributions it had made. In Europe, the UNDP office at Geneva initiated the production and wide distribution of a highly successful monthly television magazine, "Azimuths", which reports the contributions to development being made by UNDP-financed programmes.

6. The launching of the Human Development Report 1990 1/ provided the occasion to identify UNDP as the organization of the United Nations system particularly concerned with the promotion of opportunities for human development. This report received extensive media coverage throughout the world.

7. Efforts to sharpen the UNDP profile have been pursued through internal discussions on a statement of purpose and on the organization's strategy for

the future. These will provide the focused image on which a new public information strategy will be based.

8. In order to create and sustain public support for its activities and goals, UNDP will increase its efforts to reach out to a wider but carefully targeted audience: Heads of State, ministers, parliamentarians and senior government officials, non-governmental organizations, academics, leaders in the media, women and youth groups, foundations and corporations.

9. Particular attention will be paid to enhancing public and official awareness of the role played by UNDP field offices, especially the resident representatives, on behalf of the Secretary-General of the United Nations in emergency situations, whether man-made or resulting from natural events. The multitude of tasks undertaken by the UNDP field network are not sufficiently known, often being ascribed by the media to the United Nations, without specific mention of UNDP.

II. BUILDING ON THE COMPARATIVE ADVANTAGES OF UNDP

10. While emphasizing the need for greater public awareness of UNDP, the Governing Council also underscored the fact that, above all, UNDP had to stand on its performance. To this end, the Council called for identification of the UNDP's comparative advantages of UNDP, based on experience; greater focus on building national capacity in key areas such as poverty alleviation, human development and environmental sustainability; improved coordination of programming with other entities of the United Nations system; and improved programme quality and effectiveness. Implicit in the Council's decision was the belief that more focused, better coordinated and more cost-effective programming and delivery centred on the comparative advantages offered by UNDP, would attract increased voluntary contributions for both core and non-core resources.

11. UNDP has long been recognized for its technical impartiality, its respect for national sovereignty and its universality. National priorities and plans are the explicit starting point for all UNDP cooperation at the country level. They will constitute the framework for the promotion of the six areas of focus given in Governing Council decision 90/34 of 23 June 1990. The willingness of UNDP to cooperate with countries in attaining medium- and long-term goals rather than emphasize the correction of short-term problems has been welcomed by recipients of its aid.

12. The round of mid-term reviews undertaken during 1989 and 1990 confirmed the value of these attributes - neutrality, respect for sovereignty, universality - to recipient Governments. Governments have also reiterated the importance of UNDP cooperation in formulating policies, strategies and programmes respecting national goals and priorities, unmotivated by concern for subsequent commercial contracts. Another advantage offered by UNDP is its willingness to help countries to choose from a variety of technologies and, more importantly, to conduct research aimed at adapting them to local requirements and conditions.

13. The cost of expatriate experts and the consequently high proportion of technical cooperation funds absorbed by them has long been a concern. UNDP is continuously striving to provide expertise where appropriate on a more cost-effective basis. Greater use of national expertise and consultancies, expanded in-country training and fellowships in other developing countries, as well as twinning arrangements, all represent initiatives that address this legitimate concern without reducing the quality of the services provided. Few, if any, other technical cooperation agencies offer such a range of cost-effective modalities.

14. UNDP offers unusual flexibility in programming which is appreciated by recipients, allowing them to rationalize the external resources available to them. Many recipients appreciate the fact that UNDP does not have specific, sectoral mandates: the areas of focus specified in Governing Council decision 90/34 are all multisectoral. Other donors frequently have a sectoral mandate or a priority focus of their own. It is crucial, however, that UNDP resources be used only for programmes of critical national priority and not be marginalized.

15. In the preparation of fifth cycle country programmes, Governments are being urged to identify the comparative advantages offered by UNDP in their national context, to state them, and to exploit them in the next country programme.

III. ENHANCEMENT NATIONAL CAPACITY

16. In paragraph 6 of its decision 90/14, the Governing Council emphasized the need for UNDP to respond effectively to government requests for technical cooperation in enhancing national capacity in such important areas as poverty alleviation and investment in people, in particular women in development, better economic management and environmentally sound and sustainable economic growth. The same concern is echoed in paragraph 7 of decision 90/34.

17. National capacity-building has always been a major goal of UNDP activities. To make UNDP response more effective, several steps have been or are being taken, as indicated in the following paragraphs.

18. First, resident representatives have drawn the attention of Governments to Governing Council decision 90/34 and specifically to paragraphs 4 to 8 of that decision. In countries where the formulation of the next country programmes has begun, reference to these paragraphs has been made in the advisory notes submitted to Governments by UNDP. The country programmes submitted to the current session of the Council already reflect the desire of UNDP to focus on certain areas within the context of national capacity-building.

19. Second, a series of briefs and notes is being drawn up, based on UNDP experience, giving practical suggestions on how to build or strengthen national capacity in the areas specified by the Governing Council.

20. Third, the issue of capacity-building was clearly addressed by the Governing Council on 22 June 1990, in its decisions 90/21, on national execution, and 90/26, on support cost successor arrangements. It is anticipated that increased emphasis will be given to leadership and management of technical cooperation programmes by national authorities. The Administrator's reports on support cost successor arrangements (DP/1991/25) and national execution (DP/1991/23) outline a number of practical measures to support the increased use of national capacities in programmes supported by UNDP.

21. In accordance with paragraph 9 of Governing Council decision 90/34, a full report on capacity-building and capacity-strengthening within the six areas of focus determined by the Council will be submitted to the Council at its fortieth session, in 1993.

IV. COORDINATION OF PROGRAMMING AND FUNDING

22. UNDP has for almost a decade pioneered and supported assessments of technical cooperation needs. Initially these were undertaken in the context of preparations for round-table meetings, and such studies continue to provide valuable guidance to Governments in determining their priorities for technical cooperation. More recently, National Technical Cooperation Assessment and Programmes (NATCAPs) have been carried out in an ever-increasing number of countries (over 30 to date), principally in Africa, but also now in Latin America and the Caribbean. These comprehensive assessments provide a firm basis on which to build technical cooperation and, equally important, to coordinate assistance from various sources. An evaluation of NATCAPs has recently confirmed their utility in this regard (see DP/1991/17). In many cases, UNDP has helped Governments to find donors to complement UNDP resources.

23. The programme approach requires that programmes be fully assessed and formulated in line with national priorities. It is expected that UNDP will increasingly be called upon to assist in such endeavours, taking advantage of its policy neutrality referred to earlier. When a true programme approach is widely adopted for technical cooperation, coordination and complementary funding should be significantly facilitated.

24. The Administrator is in regular communication with the Director-General for Development and International Economic Cooperation, collaborating in the overall effort to improve coordination of the programming of United Nations operational activities. Efforts towards improved coordination of programming also continue through the machinery of the Administrative Committee on Coordination (ACC), particularly the Consultative Committee on Substantive Questions (Operational Activities) (CCSQ (OPS) and the Consultative Committee on Substantive Questions (Programme Matters) (CCSQ (PROG), as well as the Joint Consultative Group on Policy (JCGP). At the country level, resident representatives, in their capacity as resident coordinators, play a leading role in striving for improved coordination of the operational activities of

the United Nations system. UNDP has fully supported a strengthened role for the resident coordinators through improved selection criteria, briefing and training. Training courses for resident coordinators and members of their teams were introduced for the first time in early 1991. Governing Council members will be able to judge for themselves the efficacy of these efforts based on field visits by members of the Standing Committee on Programme Matters.

V. IMPROVEMENT OF PROGRAMME QUALITY AND EFFECTIVENESS

25. In paragraph 10 of its decision 90/14, the Governing Council requested the Administrator to improve programme quality and effectiveness, including programme management, by undertaking the following steps:

(a) Concentration of resources on areas and activities in which UNDP can maximize its advantages, improve the programme focus and quality and reduce administrative costs;

(b) Increased integration with the country programme process of the resources available from the funds under the authority of the Administrator;

(c) Streamlining of UNDP operations through the merger of trust funds, services and programmes to simplify administration and provide a clearer focus to the programme;

(d) Strengthening of monitoring and evaluation mechanisms to ensure effective feedback to current and future programmes.

26. The Administrator is constantly seeking ways in which to improve the quality and effectiveness of UNDP. In recent years, substantial changes have been introduced to improve formulation, monitoring and evaluation procedures backed by staff training.

27. In several countries, there was an attempt during the fourth programme cycle 1987-1991, to focus UNDP interventions to reduce the number of individual projects. This process is being encouraged in the dialogue on the preparation of the fifth cycle country programmes, 1992-1996, as it is recognized that the process requires the agreement of the recipient Government. Greater emphasis has been placed on feeding back evaluation findings to ongoing and new programming activities (see document DP/1991/22).

28. Programme managers have been urged to coordinate and, if possible, to seek greater integration of the programming of the main funds with that of the administered funds.

VI. A FUNDING STRATEGY FOR UNDP

29. The Governing Council stated clearly, in paragraph 3 of its decision 90/14, that funding of the programme through core resources was of primary importance. The value of non-core resources was recognized, provided that they were designed to serve as a means of ensuring the flow of additional resource; that the programmes and projects financed through such resources were coherently and effectively integrated with the technical cooperation programmes of the country, appropriately and within the mandate of UNDP and the technical cooperation programmes of the United Nations system; that they were activities in which UNDP had a comparative advantage; and that they were in accordance with national priorities.

30. Further, Governing Council decision 90/14 invited all Governments to increase, to the extent possible, their voluntary financial support to UNDP. On his part, the Administrator has continued in his efforts to pursue a minimum growth of 8 per cent per annum in voluntary contributions, the target agreed to by the Council. Special attempts are also being made in recipient countries to seek greater participation in the UNDP resource base.

31. Non-core resources are raised based on the priorities of the recipient Governments, within the framework of each country programme. The link with the activities financed from core resources is being emphasized. The Administrator has also continued to explore possibilities for additional financing for global priority themes. In addition, recipient Governments are being encouraged to finance part of their programmes and projects through the cost-sharing modality.

32. Through the measures outlined above, the Administrator is endeavouring to ensure the continuing growth of the financial resources available to developing countries through UNDP. Such growth must be based on a clear and visible sense of purpose, on the relevance of the programme to national priorities and global concerns, on coordination and cost-effectiveness and on broader awareness of UNDP and its contribution to world development.

Notes

1/ United Nations Development Programme (New York and Oxford, Oxford University Press, 1990).

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SPECIAL PROGRAMMES OF ASSISTANCE

Impact of the Gulf crisis on developing countries: needs and initiatives

Report of the Administrator

SUMMARY

The present report reviews the economic, social and human costs of the crisis, and reports on actions undertaken since the organizational meeting of the Governing Council in February 1991, when the Administrator, on behalf of the United Nations Development Programme, pledged $4 million from Special Programme Resources (SPR) to help meet the needs arising from the crisis. Information is provided on the immediate and longer-term technical assistance needs created by the crisis; the Special Programme for the Countries Most Affected by the Gulf Crisis (SPGC), formulated to provide assistance within a comprehensive framework; and new initiatives proposed in the areas of human development, macroeconomic management and the environment.

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LIST OF ABBREVIATIONS

DIEC	Director-General for Development and International Economic Cooperation
DTCD	Department of Technical Cooperation for Development of the United Nations Secretariat
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ILO	International Labour Organisation
IMF	International Monetary Fund
IMO	International Maritime Organization
IOC	Intergovernmental Oceanographic Commission
IOM	International Organization for Migration
NGOs	Non-governmental organizations
ROPME	Regional Organization for the Protection of the Marine Environment
UNCED	United Nations Conference on Environmental Development
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCTAD	United Nations Conference on Trade and Development
UNDRO	Office of the United Nations Disaster Relief Coordinator
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
WFP	World Food Programme
WHO	World Health Organization
WMO	World Meteorological Organization

I. BACKGROUND

1. The crisis which began with the invasion and occupation of Kuwait by Iraq, on 2 August 1990, devastated both countries and seriously affected the economic development of neighbouring countries, as well as that of other developing countries in the Arab region, Asia, Central and Eastern Europe, Africa and Latin America. 1/

2. The term "Gulf crisis" covers the following developments and their consequences: Iraq's invasion of Kuwait; the application of United Nations sanctions (Security Council resolution 661 (1990) of 6 August 1990); military action to liberate Kuwait, from 16 January until the end of 27 February 1991; and the civil strife which began in Iraq in March 1991, following the informal cease-fire.

3. The evolving nature of the crisis has required a commensurate response from the organizations and bodies of the United Nations system, under the leadership of the Secretary-General. The primary contribution of UNDP has been at the field level, and UNDP offices in Iran, Jordan, the Syrian Arab Republic and Turkey have assisted in coordinating the response, and have provided logistics and administrative support. As soon as the informal cease-fire took hold, UNDP moved quickly to resume operations in Kuwait and Iraq.

4. Soon after the crisis began on 2 August, UNDP, using available IPF resources, provided some assistance to those countries affected by large numbers of returning labour migrants, and/or by the application of sanctions to Iraq and Kuwait. Existing country programmes were reviewed where possible, although the fact that the crisis came at the end of the fourth programming cycle (1987-1991) meant that most available resources had been committed.

5. These activities were fully in line with the Secretary-General's note verbale of 23 January 1991, by which he conveyed to United Nations agencies and organizations the Security Council's concern that countries which had suffered as a result of the application of sanctions should receive assistance. In a memorandum to the President of the Security Council, dated 22 March 1991, the 21 countries 2/ applying for assistance under the provisions of resolution 661 (1990) estimated their losses at over $30 billion (S/22382). Estimates of the impact of the sanctions as a percentage of the gross national product (GNP) in selected countries appear in table 1 below. In response to that memorandum, the President of the Security Council made a statement, on behalf of the Council, at its 2985th meeting on 29 April 1991 (S/22548). In that statement, the Council called on the organizations of the United Nations system to assist the affected countries.

6. Clearly, the magnitude of the impact on developing countries necessitates a response above and beyond that possible with available resources. As reported at the organizational session of the Governing Council in February 1991, the Administrator established a Gulf Task Force coordinated by

the Regional Bureau for Arab States and Europe, in close collaboration with other UNDP bureaux and units, in order to manage the UNDP response to the crisis. The Administrator also allocated up to $4 million from Special Programme Resources (SPR) to help meet emergency relief needs, to assist in impact assessment and to respond to the social and economic needs created by the crisis.

7. To formulate a programme appropriate to the needs of developing countries, the Gulf Task Force engaged in extensive consultations with UNDP field offices and, through them, with government counterparts. The Gulf Task Force also contacted organizations and agencies of the United Nations system to report on existing and planned activities of UNDP and to request information about their own plans. This communication led to a valuable exchange of information and ideas. Based on the above, the Gulf Task Force formulated the Special Programme of Assistance to Countries Most Affected by the Gulf Crisis (SPGC), which was approved by the UNDP Action Committee in March.

8. SPGC adopted a programme approach, outlined in a background paper, to allocate the $4 million in SPR resources, and to target key areas with small amounts of money, assisting countries whose resources - and IPFs - had been stretched to the limit by the crisis. A mix of execution modalities is being used to allow rapid and flexible disbursement of funds. The SPGC background paper was distributed to field offices in the countries concerned, for transmission to the Governments concerned. By 1 May 1991, 42 per cent of the programme resources had been allocated. It is anticipated that 60 per cent of the resources will be committed by June (see table 2 below), and that 100 per cent will be committed by the end of 1991.

II. NEEDS, RESPONSES AND INITIATIVES

9. This section reports briefly on the impact of the crisis and the needs arising in specific areas. Information is also provided on the response of the international community and specific steps taken by UNDP within that overall response. Initiatives proposed by UNDP to meet the most outstanding needs are also outlined. It should be noted that this report is based on material available at the time of writing, and that conditions are changing on a daily basis.

10. Given the scale of resources required from the international community for immediate relief operations, medium-term development needs have received less attention. Yet if these needs are not addressed, the emergency responses will simply be stopgap measures. There is now an opportunity to move from immediate emergency measures to development policies and programmes that will help sustain economic growth and human development.

11. Therefore, the UNDP approach has been to focus on the medium term as well as the short term, as follows: (a) immediate humanitarian response; (b) immediate assistance to the rehabilitation of institutions and

infrastructure; (c) immediate assistance in macrolevel management; (d) medium-term programmes to reintegrate the returnees and achieve sustainable human development; and (e) medium-term technical assistance programmes to support environmental recovery.

A. Immediate humanitarian needs

12. The humanitarian needs in Kuwait and Iraq were assessed by a United Nations mission headed by United Nations Under-Secretary-General Martti Ahtisaari, in which UNDP participated, 3/ and a damage assessment mission in Kuwait undertaken by former United Nations Under-Secretary-General Abdulrahim Farah. 4/ A massive internal refugee problem was created by civil strife in Iraq after the informal cease-fire was reached. Hundreds of thousands of Iraqi Kurds fled to their country's border with Turkey (United Nations estimates of 26 April: 416,000 at or over the border in Turkey; 200,000 to 400,000 on the Iraqi side of the border; and 1.02 million in Iran). According to United Nations estimates, the appalling conditions suffered by the Iraqi Kurds were leading to over 1,000 deaths a day. The international community provided shelter, food and water while negotiations were under way for the refugees to return to their homes.

13. The United Nations response to the immediate humanitarian needs is being coordinated by Prince Sadruddin Aga Khan, designated by the Secretary-General on 9 April as Executive Delegate for a United Nations inter-agency humanitarian programme for Iraq, Kuwait, and the Iraq/Turkey and Iraq/Iran border areas. The Executive Delegate nominated a Coordinator, who assumed his duties at Baghdad on 18 April. The role of the United Nations system in support of the Executive Delegate's efforts were summed up in a statement by the Secretary-General on 26 April 1991, in which he outlined the responsibilities for further United Nations activity in the region as follows: UNHCR was to assume the lead role, supported by UNDRO which was to assist in information gathering, analysis and dissemination of information to all concerned parties. UNICEF and WHO were to fulfil their respective roles in relation to vulnerable groups, with a focus on health, water and sanitation. UNDP was to support the relief operations at the country level. During April also, the United Nations appealed for $400.2 million to respond adequately to immediate humanitarian needs.

Steps taken by UNDP

14. UNDP field offices have supported the ongoing efforts by Governments and United Nations agencies to provide humanitarian assistance since the crisis began. By May 1991, four additional UNDP international staff members had been posted to Iraq and one to Turkey to assist with the coordination of United Nations humanitarian efforts. UNDP has also provided staffing and other assistance to the Executive Delegate's offices in Geneva and New York.

15. Beyond the UNDP role in providing key coordination, logistics and administrative support at the field level, and given the magnitude of the funds required, any financial response by UNDP in this area is of a catalytic nature.

16. Under SPGC, $250,000 was provided as seed money to support the pressing need for United Nations Volunteers (UNVs) to assist the humanitarian relief effort in Iraq. By the end of April, this seed money had engendered a further $1 million from a single donor. Also under SPGC, the sum of $100,000 was allocated to meet strictly humanitarian needs in Iraq. Training in disaster management for UNDP staff and government counterparts is also being provided under SPGC. The training will be accomplished with inputs from the Disaster Management Training Programme (see DP/1991/20).

17. UNDP will continue to assist in efforts to meet humanitarian needs, within the coordination mechanisms established by the Secretary-General, and within the resources at its disposal.

B. Rehabilitation of institutions and infrastructure

18. Two countries are in great need of rehabilitation support: Kuwait and Iraq. The Iraqi invasion and the ensuing war devastated Kuwait's economy. Much of the physical infrastructure was destroyed, and power and water desalination plants were seriously damaged. Basic water and sewerage systems as well as hospitals were damaged or looted. Immediately after liberation, Kuwait embarked on the relief, rehabilitation and reconstruction process, with support from the international community.

19. UNDP plans to support the efforts of the Kuwaiti Government to strengthen national capacities in development administration, environment, health and education. Under SPGC, an initial allocation of $100,000 was made to assist in programme formulation in these areas.

20. In Iraq, immediate humanitarian needs were identified by a WHO/UNICEF report (S/22328), and further documented by the Ahtisaari mission. 3/ International agencies have been able to meet some health and safe water needs. Clearly, a vast programme of special assistance for rehabilitation and reconstruction will be necessary in Iraq, but identification and implementation will have to wait until United Nations sanctions are relaxed.

21. The existing UNDP programme in Iraq has been suspended, at the Government's request, until a new IPF programme can be formulated that will respond to the present situation. UNDP expects to support the strengthening of national capacity in rehabilitation and reconstruction of infrastructure and institutions. Meanwhile, as noted earlier, $100,000 was made available for immediate humanitarian needs under SPGC.

C. Macrolevel management

1. Impact and needs

22. The severity of the economic losses suffered by developing countries as a result of the crisis depended on the extent of each country's economic relations with Iraq and Kuwait (see table 1 below). Economic losses for countries in the Arab region, Asia, Central and Eastern Europe and Africa include: (a) lost remittances, a major source of foreign exchange; (b) suspension of aid and grants; (c) lost exports to the Gulf; (d) loss of barter arrangements and project agreements; (e) higher prices for imports, owing mostly to higher oil prices, and an increase in insurance and transport fees; (f) a sharp decline in tourism, an important source of employment and foreign exchange; (g) increased unemployment; (h) increased debt; and (i) loss of investment confidence and capital flight.

23. Other economic difficulties facing the seriously affected developing countries include: (a) a severe shortage of foreign exchange, urgently needed to import basic consumer goods as well as capital goods required for agricultural and industrial production; (b) high inflationary pressures caused by high import prices, including oil, and a depreciating national currency; and (c) a drastic reduction in government revenues, forcing untimely curtailment of public expenditures and services.

24. The crisis resulted in an increase in oil prices on the international market for about six months. It is estimated that each one dollar change in oil prices increases the import bill by about $2 billion for oil-importing developing countries taken as a whole (UNCTAD document TD/B/1272). Higher oil prices have had negative effects on the balance of payments as well as the government budgets of many oil-importing developing countries, mainly in Africa and Latin America. The impact of the crisis and the oil price increase has been equivalent to that of a major natural disaster. For Africa, the total loss has been estimated at $2 billion, equivalent to almost one fifth of net resource flows to the region in 1990. This, in turn, has exacerbated the many economic problems confronting these countries, particularly their external debt-servicing burden.

25. Most developing countries were heavily indebted before the start of the crisis. The background paper offers a more detailed analysis of the impact of the crisis. 1/

2. Response of the international community

26. The Gulf Crisis Financial Coordinating Group, established by the major donors, working closely with the Bretton Woods institutions, provided financial assistance to seriously affected countries like Egypt, Jordan and Turkey. The International Monetary Fund (IMF) and the World Bank also extended assistance, in many cases by expediting the disbursement of existing loans, and the World Bank began work on longer-term recovery loan programmes for seriously affected countries like Jordan and Yemen.

3. Steps taken by UNDP

27. Using IPF resources, UNDP assisted India, Pakistan, the Philippines and Sri Lanka in impact assessment studies; Myanmar received assistance in exploring alternative energy sources.

28. By May 1991, UNDP, under SPGC, was responding to pressing requests for assistance in impact assessments in Albania, Algeria, Bulgaria, Mauritania, Morocco and Romania. In addition to an impact assessment study, Djibouti, which lost considerable investment as a result of the crisis, is being assisted in reformulating its development strategy.

29. SPGC funds also helped to cover the costs of impact assessments undertaken by the UNDP Programme of Assistance to the Palestinian people. At the Secretary-General's request (S/22472), a mission was dispatched to the occupied Palestinian territories to study ways of alleviating the serious unemployment problem as a result of the return of a large number of expatriate Palestinian workers.

4. Proposed initiatives

30. The initiatives proposed under section D below will assist countries in several areas of macrolevel management. Beyond that, there is a need to assist other countries in the sphere of macroeconomic management, to rechart development strategies, arrange debt rescheduling and seek balance of payments support. Additional areas of assistance should include: development of socio-economic baseline data; support for energy management programmes; expansion and diversification of export potential; and management of aid flows and resource mobilization. To be relevant, it is proposed that the resources to assist Governments should be mobilized very quickly.

D. Human development needs

1. Impact and needs

31. The return of over 2 million expatriate workers from Iraq, Kuwait and other Gulf States (see table 3 below), has caused serious socio-economic dislocation in their home countries. The immediate cost of repatriating the workers has been a drain on hard currency reserves, particularly for countries in Asia. The longer-term costs of reintegrating the returnees socially and economically have been especially heavy in those countries where their numbers constitute a significant proportion of the total labour force, for example, in Egypt, Jordan and Yemen. The sudden large surge of demand on these countries' infrastructure, housing market, schooling, health care facilities and municipal services has strained the capacities of their Governments which were already finding it difficult to provide adequate services to existing populations.

32. Although many returnees are skilled workers who will be able to contribute to national development, others have limited skills. Some have savings, but many workers lost the savings of a lifetime, including financial assets and property in Kuwait and Iraq. The direct loss was not suffered solely by the workers, but by their dependants as well. Returnees will need assistance to find employment opportunities; obtain training for new professions required in the market place; acquire credit to initiate their own enterprises; and gain access to social services, especially for the vulernable groups.

33. Returning migrant workers have joined an existing pool of unemployed nationals, men and women, who also require assistance. The problem is therefore not simply short-term relief measures in the affected countries, geared to a transitional reintegration phase; it has to be addressed in a comprehensive fashion together with the underlying structural imbalances of labour markets. This requires an integrated approach linking direct action to assist the returning migrants with action needed at the policy level for overall human development, and at the macrolevel in terms of adjustment of plans and budget allocations. Close collaboration among international agencies, Governments, donors and NGOs is necessary to dovetail relief and humanitarian assistance with technical assistance and investment programmes. In this, as in other areas, there is a need to introduce modern, cost-effective approaches to education and training. The aim is to empower people to take advantage of opportunities, and, where possible and necessary, to remove constraints to their doing so.

2. Steps taken by UNDP

34. In response to requests by Governments in Asia, UNDP promptly used IPF country and intercountry resources available in existing ILO-executed projects to strengthen national capacities to reintegrate returnees in Bangladesh, India, Pakistan, the Philippines, Sri Lanka and Viet Nam.

35. In the Arab States, the Social Development Fund of Egypt, which was being formulated to assist vulnerable groups that might be adversely affected by structural adjustment programmes, was quickly reformulated to target returning labour migrants as well. Supported by the World Bank, with UNDP providing technical assistance, the Fund will be managing some $660 million.

36. In response to requests from Governments, and based on needs assessments, several allocations were made under SPGC to assist in the problem of returning labour migrants:

(a) $100,000 was made available to Jordan to undertake pilot surveys of returnee families, establish skills available and training needed, and formulate strategies for reintegration;

(b) $190,000 was made available to the Philippines to assist in formulating strategies and undertaking actions for the socio-economic reintegration of returnees;

(c) $150,000 was made available for an Arab intercountry programme to study government labour market mechanisms and provide a forum for exchange of experiences between Arab and Asian States.

3. Proposed initiatives for reintegration of returnees and sustainable human development

37. The situation offers a unique opportunity to turn the dislocation caused by the crisis to advantage, and to embark on sustainable solutions in the area of employment and development. Therefore, UNDP plans to address both immediate and medium-term needs through an integrated, five-year initiative for the reintegration of returnees and for sustainable human development.

38. This initiative is based on the needs expressed by the Governments of the countries concerned, on UNDP field office reports and on documentation made available by United Nations agencies. Also taken into consideration were initial assessments and studies utilizing IPF, SPR and other extrabudgetary funds in several countries (including Bangladesh, Jordan, India, Pakistan, the Philippines, Sri Lanka and Yemen). Care would be taken not to duplicate efforts already under way. Net contributor countries would participate on a cost-recovery basis. The proposed five-year initiative would require the mobilization of special resources beyond the funds available at UNDP. The initiative proposes a comprehensive framework for sustainable development through human development funds, coupled with direct support to returnees.

39. Human development funds. As they undertake macroeconomic adjustments to cope with the impact of the crisis, particularly the large numbers of returnees, Governments will also have to introduce speedily innovative programmes to assist and protect the most vulnerable groups, especially women and children. National authorities should be enabled to: profile human conditions and needs in each country, including human resource development requirements; formulate policies that build human capacity and adopt peopled centred development approaches; and cushion economic adjustment policies with appropriate human development interventions.

40. The Social Development Fund of Egypt points to the type of the response necessary for sustainable human development. There is a need for UNDP assistance to support feasibility studies for similar funds in other affected countries, as well as the technical assistance components of such funds. Such funds would help developing countries to face the challenge of growing human development needs, for example, including the reintegration of large numbers of returnees in a stagnant labour market. The funds would provide a package of credit, training and technical assistance, using existing institutions and NGOs, to support small-scale enterprises and income-generating activities. Overall, the size of each fund would range from $100 to $300 million in capital co-financing.

41. Direct support for returnees. The aim of labour policy and placement would be to facilitate the redeployment of underemployed and unemployed returning migrant workers by establishing or strengthening labour market

information and manpower planning systems; computerized processing and registration of returning migrant workers and their skills profiles, as well as employment services, compensation and job counselling; technical support for industries and enterprises with the potential to expand to employ larger numbers of workers; and enhanced government planning capacity to formulate appropriate employment policies and to design and implement programmes.

42. In reference to vocational training, the objective would be to give returning migrants the skills required for reintegration into the economy by: (a) expanding existing vocational training programmes to provide training and retraining opportunities; (b) emphasizing non-traditional vocational methodologies such as on-the-job training, outreach programmes that employ private sector institutions and NGO initiatives that link marketable low-cost training opportunities with credit schemes; and (c) expanding innovative training efforts to reach women, such as the use of mobile training units.

43. The aim of direct employment generation would be to provide ready employment opportunities for returning migrant workers, including women, by launching community-based, labour-intensive public works projects, to construct and rehabilitate rural/urban infrastructures and community facilities to serve returning migrants and other affected populations. These projects would include building or rehabilitation of feeder roads, water supply and irrigation projects, landscaping, basic housing, health centres and schools. Highly skilled workers would be used to conduct needed surveys, undertake technical drawings and supervise construction. Depending on the country, a mix of cash and food could be used to pay for work done. It is important to collaborate with local contractors and development NGOs in working with local communities, and to incorporate labour-intensive projects into ongoing, integrated community development activities.

44. Small-scale enterprise development would be directed towards expanded self-employment opportunities for returning male and female migrant workers, by supporting existing financial institutions that provide small-scale credit schemes with expanded lines of credit, in the form of revolving funds. Returning migrant workers with little or no collateral would thus be provided with funds for both urban and rural-based small-scale enterprises. Complementing credit schemes with technical assistance would help to prepare simple project financing applications, provide technical advisory services, and assist in the establishment of cooperatives for inputs and for marketing. Small-scale enterprise development would also place special focus on empowering women to initiate economic activities and cooperate, where possible, with existing NGO credit schemes and innovative initiatives, such as the Trickle-Up Programme, and with vocational training programmes. In this area, a special effort should be made to remove structural constraints to enterprise development and growth.

45. An intercountry labour information exchange would aim to assist countries affected by the crisis in the placement of returning migrant workers in other skilled and semi-skilled labour markets. An intercountry programme would survey labour markets, in the region and elsewhere, identify potential areas of labour opportunities, help Governments to establish a system for the

continuous flow of information on labour markets, support policies and procedures on labour migration and assist in the establishment or strengthening of placement centres for returning migrants.

E. Environment

1. Impact and needs

46. The serious effects the crisis has had in the area immediately adjacent to the Gulf region, as well as farther afield, have yet to be studied. The regional impact includes the following:

(a) Oil pollution in the Gulf, and its effects on marine life, water supplies and the fishing industry;

(b) Oil pollution on land in Kuwait due to gushing, uncapped wells and damaged oil storage and distribution facilities;

(c) Smoke and smog caused by burning oil well fires in Kuwait, and resulting air pollution both in the immediate area and across boundaries;

(d) Mines left in Kuwait, constituting a grave threat to the people and the environment;

(e) Serious environmental consequences resulting from the concentration of refugee masses in small areas in Iran and Turkey and from the earlier flood of migrant labourers evacuated from Jordan in the period August to December 1991.

47. The environmentally related needs of the Gulf countries fall into two broad categories:

(a) Capital requirements to clean up oil pollution in the Gulf, extinguish the oil well fires in Kuwait and repair the oil production, storage and distribution systems;

(b) Non capital-intensive needs.

48. Information collection and dissemination. There is an urgent need for a continuously updated and expanding information database on the extent of environmental pollution and impacts in the affected area covering air, land and water resources. This collected data has to be verified for accuracy, computerized and made available, both in print and through interactive computer systems, to interested parties contributing to the Gulf effort.

49. Periodic surveys of environmental impact in the Gulf area. While the United Nations has already launched a first preliminary survey of the affected area, inadequate access to several areas and unsettled conditions have prevented a comprehensive review from being undertaken. Periodic surveys are

needed on the extent of air, water and land pollution and degradation; other ecological damage, including impacts on the marine and coastal environment; and current and expected future efforts to remedy this environmental degradation.

50. Technical assistance in environmental impact monitoring and assessment. Monitoring and assessment of the widespread environmental degradation is straining the existing technical and managerial capacity of the affected developing countries. The United Nations system can assist in the development or strengthening of national environmental monitoring and assessment centres in each country. A network of transportable atmospheric monitoring stations in smoke-affected areas could indicate dispersal patterns and deposition rates. National staff would have to be trained in the techniques involved and in the subsequent management of such programmes.

51. Technical assistance. Water supplies require testing for soot deposits and acidification, and the clean-up of chemical and biological pollutants from damaged factories and plants would have to be evaluated.

2. Response of the international community

52. Several activities are already under way to meet the impact of the crisis on the environment. At the United Nations, there are two main initiatives: the Inter-Agency Action Plan in the ROPME Region, and the Gulf Oil Pollution Disaster Fund.

53. Several inter-agency consultations were convened in 1991 under UNEP auspices to discuss the scope of the problem and to intensify cooperation and coordination within the United Nations system. 5/. The Inter-Agency Action Plan was prepared with a preliminary proposed budget of $3,157,000 to cover United Nations seconded staff, core group salaries, administrative support, travel, equipment and data acquisition. The plan has three phases: survey, assessment and implementation. These cover the marine/coastal environment (monitoring and responding to oil pollution, remote sensing and database development); the atmosphere (monitoring of air quality, air-sea exchanges, meteorology); in-land terrestrial areas (assistance in agriculture, food safety measures, safe drinking water, solid and liquid waste management, desalination, desertification, shelter/welfare and industrial safety); and hazardous waste management. Several agencies have pledged contributions to each of these areas, and some assistance from bilateral donors has been mobilized.

54. The Gulf Oil Pollution Disaster Fund was established by IMO in March 1991, to coordinate offers of international assistance to Governments affected by the Gulf oil spill. The Fund aims to facilitate the fielding of equipment and expert services to the coastal States. By the end of April, some $6 million had been secured in donor assistance. Although some 21 million gallons of oil (equivalent to 500,000 barrels) had been recovered by April, IMO estimated that the oil spills totalled from 1.5 to 2.0 million

barrels. Thus, at most, only one-quarter of the oil spill had been recovered by April, and clean-up activities have been very slow. IMO estimates that a preparatory survey is essential to assess damage and degradation of the maritime infrastructure, and to determine technical assistance needs.

3. Proposed initiatives

55. In addition to supporting the Inter-Agency Action Plan and the Gulf Oil Pollution Disaster Fund, UNDP plans to support technical assistance needs in the areas outlined above, and to mobilize the funds necessary to do so.

III. CONCLUSIONS

56. UNDP is acquiring considerable experience in helping countries and regions move from emergency relief to sustainable development. Perhaps the best regional example is the UNDP role in the implementation of the Special Plan of Economic Cooperation for Central America (PEC), adopted by the General Assembly in its resolution 42/231 of 12 May 1988. As was reported to the Governing Council at its thirty-seventh session, in June 1990 (DP/1990/85), the $20 million in SPR allocated to PEC served to mobilize tens of millions of dollars in additional funds for technical cooperation and investment. A comprehensive report on UNDP emergency initiatives at the global level is contained in document DP/1991/20.

57. The impact of the Gulf crisis has been of such magnitude that a special response, and special resources, are required to move beyond emergency responses, and towards development and cooperation. The UNDP network of field offices enables rapid, country-specific responses. Also, the comparative advantages of UNDP - neutrality, universality and the capacity to coordinate development assistance within and between countries - come into play.

58. There is an opportunity to empower people for sustainable development. UNDP plans to pursue that opportunity as follows:

(a) Through the SPR resources made available under SPGC;

(b) By continuing dialogue with affected countries, in close collaboration with the organizations and bodies of the United Nations system, and by assisting them in assessing their needs, reorienting country programmes as appropriate and responding to the impact of the crisis within available means;

(c) By meeting with donor countries to discuss mobilization of funds for areas of specific interest under the programme initiatives outlined above.

59. The attention of the Governing Council is invited to the needs described in the present report. The advice, guidance and support of the Council will be a key element in pointing the way towards an appropriate response to this crisis of global implications.

Table 1. Impact of the Gulf crisis on selected developing countries a/

(Where impact is greater than 1 per cent of GNP)

Country	Total cost (million $US)	Gross national product (percentage)
Low income		
Bangladesh	245	1.4
Pakistan	855	2.4
Sri Lanka	266	4.0
Sudan	380	3.8
Yemen	830	10.4
Lower middle income		
Egypt	985	2.9
Jordan	1 770	31.3
Morocco	410	2.0
Philippines	630	1.8
Turkey	3 360	4.9

Source: Extracted from Overseas Development Institute Briefing Paper (London, March 1991).

a/ This table does not include all the developing countries affected by the crisis. It is intended only to illustrate the magnitude of the crisis in developing countries. For a longer list of the countries affected, see table 3 below. See also the background paper, referred to in footnote 1 of the present report, for country-by-country impact assessments of a larger group of countries.

Table 2. Special Programme for the Countries Most Affected by the Gulf Crisis: allocations by country and area of need a/

(Updated version to be distributed during session in June)

(US dollars)

	Humanitarian needs	Human development (returnees)	Socio-economic management	Rehabilitation of institutions and infrastructure	Environment
Intercountry	-	-	400 000 b/	-	-
Arab region					
Bahrain c/	-	-	-	-	50 000
Djibouti	-	-	136 000	-	-
Iraq c/	100 000	-	-	-	-
UNVs	250 000	-	-	-	-
Administrative support	114 000 d/	-	-	-	-
Kuwait c/	100 000	-	-	-	-
Jordan c/	-	100 000	-	-	-
Qatar c/	-	-	-	-	50 000
Regional migration	-	150 000	-	-	-
Asia					
Philippines c/	-	190 000	-	-	-
Europe					
Turkey c/	50 000	-	-	-	-
Total	614 000	440 000	536 000	-	100 000

Grand total as at 1 May 1991: $1 690 000 (42 per cent)

a/ Countries assisted to respond to the Gulf crisis using existing IPF resources are not shown in this table. By 1 May, they included Bangladesh, India, Myanmar, Pakistan, the Philippines, Sri Lanka and Viet Nam.

b/ This umbrella project, managed by the Regional Bureau for Arab States and Europe, enables rapid, flexible response for small-scale impact assessment by all countries affected by the crisis. By 1 May, these included Algeria, Albania, Bulgaria, Mauritania, Romania and the Palestinian people.

c/ Approved individually, before approval of SPGC as a programme.

d/ Support to the Iraq-based humanitarian operations of the United Nations Secretary-General's Executive Delegate.

Table 3. Estimated number of returnees from selected countries a/

Country	Number of returnees
Bangladesh	90 000
Egypt	500 000
India	200 000
Jordan	400 000
Lebanon	60 000
Pakistan	142 000
Philippines	55 000
Sri Lanka	101 000
Sudan	30 000
Syrian Arab Republic	50 000
Viet Nam	16 000
Yemen	813 000
Total	2 457 000

Source: Estimates, based on government reports, field office assessments and ILO reports.

a/ Figures may not take into account returnees after the first three months of the crisis; moreover, some returnees have since been able to remigrate for employment.

Notes

1/ Owing to space constraints, a detailed analysis of the impact of the crisis cannot be given in the present report. Therefore, a more comprehensive report, Impact of the Gulf Crisis on Developing Countries, is being made available to the members of the Governing Council as a background paper. It includes country-by-country impact studies, and an analytical study proposing long-term strategies for developing countries.

UNDP field offices in the Arab region, Asia, Central and Eastern Europe and Africa were also central to the process of preparing the present report, as well as the background paper. UNDP gratefully acknowledges the significant contribution made by the Economic and Social Commission for Western Asia, as well as the information generously provided by the following organizations and bodies of the United Nations system: DIEC, DTCD, UNICEF, UNCTAD, UNEP, ESCAP, UNHCS, UNDRO, UNHCR, WFP, ILO, FAO, UNESCO, ICAO, WHO, the World Bank, IMF, WMO, IMO, UNIDO and IOM.

2/ The following countries applied for assistance under the provisions of Security Council resolution 661 (1990): Bangladesh, Bulgaria, Czechoslovakia, Djibouti, India, Jordan, Lebanon, Mauritania, Pakistan, the Philippines, Poland, Romania, the Seychelles, Sri Lanka, the Sudan, the Syrian Arab Republic, Tunisia, Uruguay, Viet Nam, Yemen and Yugoslavia.

3/ S/22366 (Kuwait and Iraq) and S/22409 (Kuwait).

4/ S/22535, annex, and S/22536.

5/ Participating agencies included UNDP, UNEP, UNDRO, FAO, UNESCO/IOC, WHO, WMO, IMO, IAEA and UNCED, and two NGOs: the International Union for the Conservation of Nature, and the Regional Organization for the Protection of the Marine Environment (ROPME).